

## HIGHER EDUCATION: ANSWERS TO FREQUENTLY ASKED QUESTIONS

### What is the Status of UC Fee Lawsuits?



#### The University of California (UC) Lost One Class-Action Suit

- In 1994, the UC Board of Regents adopted a policy of holding professional fees constant for the duration of a student's enrollment in a professional degree program. The Regents abandoned this policy in 2003, when they raised fees for many professional degree programs. The Regents also imposed a midyear increase in the educational fee for all students (undergraduate, graduate, and professional) the same year. Students filed a lawsuit, *Kashmiri v. Regents*, challenging these fee increases.
- The students argued that UC violated a promise not to raise fees on individual students once they enrolled in a professional degree program. They also objected that the education fee increase was assessed after the students had already received, and most had paid, their bills for the 2003 spring and summer terms.
- The Superior Court in San Francisco decided in the students' favor in March 2006. The Regents lost an appeal in November 2007, and the California Supreme Court declined to hear a further appeal in January 2008. The UC is ordered to pay a settlement of approximately \$40 million in fee reimbursements and interest to the affected students. (See box for students eligible for those refunds.)
- While it was considering the case in the summer of 2004, the Superior Court halted the Regents' plans to raise fees further on the professional degree students who were affected by the lawsuit. As a result, UC was not able to collect all of the fee revenue it had anticipated from this group of students. The estimated shortfall in fee collections from this group is about \$20 million.
- To compensate for this fee revenue shortfall, the Regents imposed temporary fee surcharges on new professional students beginning in 2005-06. In that year and the following year, professional school students paid surcharges averaging about \$875 per year. In 2007-08 these surcharges were replaced by a new \$60 surcharge for all students. The fee shortfall will be fully recouped by the end of the spring 2008 term.
- In May 2008, the Regents approved a continuation of the \$60 surcharge for all students in order to pay the refunds required by the *Kashmiri* settlement. The UC estimates that the surcharge will be in place for five to six years, depending on final agreements with the settlement administrator.

## What is the Status of UC Fee Lawsuits?

(Continued)



### A Second Case Is Pending

- Another group of students filed a lawsuit in 2005, *Luquetta v. Regents*, with a similar complaint regarding promises made to professional degree students. This case applies to students accepted in a professional degree program in the 2003 summer term, whose professional degree fees were later raised.
- The case has been accepted by the Superior Court as a class action, and is likely to go to trial in 2008. Students are seeking refunds of \$15 million to \$20 million.

Which Students Can Get Refunds?
<p><b>Professional Students.</b> Current and former University of California (UC) students who enrolled in a UC professional degree program prior to December 16, 2002, and whose professional degree fees were raised after that date.</p> <p><b>Spring 2003 Students.</b> Students who attended any UC school on a semester system during the Spring 2003 semester, whose fees for that semester increased after they had already enrolled in classes and received bills for the semester.</p> <p><b>Summer 2003 Students.</b> Students who attended the Summer 2003 session at UC Berkley or UCLA, whose fees for that summer session increased after they had already enrolled and received bills for the session.</p>



### The UC Board of Regents Has Changed Its Policy Regarding Fee Increases

- The university no longer has a policy to hold fees constant for students enrolled in professional degree programs. All references to such a policy have been removed from publications.